

SETTLEMENT AGREEMENT

This Settlement Agreement is made by and among the Missouri Attorney General's Office ("Attorney General"), the Missouri Department of Natural Resources ("Department"), and Courtney Ridge Landfill, LLC ("Courtney Ridge"). This Agreement is deemed to be executed on the date this document is signed and dated by the Department.

WHEREAS, Courtney Ridge owns the Courtney Ridge Recycling and Disposal Facility ("Landfill") located at 2001 North Highway 291, Independence, Jackson County, Missouri and operates it under permit number 0109521; and

WHEREAS, on July 21, 2010, Department staff conducted an investigation at the Landfill in response to a citizen complaint reporting that excessive foaming was observed in a tributary to Mill Creek. During the investigation, Department staff observed soap suds, at least four (4) feet deep, in a tributary to Mill Creek. Additionally, the tributary had a detergent odor and the water was a turbid brown. Department staff determined that following a heavy rainfall event, the stormwater barrier on the active landfill cell failed and allowed stormwater contaminated with leachate to overflow the constructed landfill liner and discharge into an adjacent quarry pit, which was pumped to a tributary to Mill Creek; and

WHEREAS, Mill Creek and its tributaries are waters of the state as the term is defined in section 644.016(26) RSMo; and

WHEREAS, leachate and stormwater that has come into contact with leachate are water contaminants as the term is defined in section 644.016(23), RSMo; and

WHEREAS, causing pollution to a tributary to Mill Creek, waters of the state, or placing or causing or permitting to be placed a water contaminant in a location where it is reasonably certain to cause pollution of waters of the state is a violation of sections 644.051.1(1) and 644.076.1, RSMo; and

WHEREAS, discharging water contaminants into waters of the state which reduces the quality of such waters below the Water Quality Standards established by the Missouri Clean Water Commission is a violation of sections 644.051.1(2) and 644.076.1, RSMo, and 10 CSR 20-7.031; and

WHEREAS, failing to prevent a discharge from a location other than the permitted outfall as required by Missouri State Operating Permit number MO-0117790 is a violation of section 644.076.1, RSMo; and

WHEREAS, on July 21, 2010, the Department issued Notice of Violation ("NOV") No. KCR2010072910123672 to Courtney Ridge for violations of the Missouri Clean Water Law ("MCWL"); and

WHEREAS, as a result of the above investigation, the Department incurred costs for staff time and sample analysis in the amount of eight thousand one hundred thirty-four dollars and forty-six cents (\$8,134.46); and

WHEREAS, section 644.096 RSMo authorizes the State, or any political subdivision or agency, to recover actual damages, including all costs and expenses necessary to establish or collect any sums under sections 644.006 to 644.141 RSMo, and the costs and expenses of restoring any waters of the State to their condition as they existed before the violation, sustained by the State because of the violation; and

WHEREAS, section 644.076.1 RSMo, makes it unlawful to violate the MCWL and regulations promulgated pursuant thereto and establishes civil penalties of up to ten thousand dollars (\$10,000.00) per day per violation; and

WHEREAS, on December 7, 2010, the Department's Solid Waste Management Program issued NOV No. 30411 to the Landfill because methane gas exceeded 2.5% by volume in several gas wells at the Landfill property boundary throughout the prior two years, in violation of 10 CSR 80-3.010(14)(A), 10 CSR 80-3.010(14)(C) and 10 CSR 80-3.010(14)(C)2.B; and

WHEREAS, the Department, the Attorney General, and Courtney Ridge desire to amicably resolve all disputes or claims which could be made against Courtney Ridge for violations of the MCWL and the Missouri Solid

Waste Management Law and its regulations (collectively "MSWML") as described in NOV No. KCR2010072910123672 and NOV No. 30411.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the Department, the Attorney General, and Courtney Ridge further stipulate and agree as follows:

1. The provisions of this Agreement shall apply to and be binding upon the parties executing this Agreement, their, agents, subsidiaries, affiliates and lessees, including the officers, agents, servants, corporations and any persons acting under, through or for the parties agreeing hereto.

VIOLATIONS OF THE MISSOURI CLEAN WATER LAW

2. Courtney Ridge, in compromise and satisfaction of the Department's claims relating to the alleged violations listed above and in NOV number KCR2010072910123672, agrees, without admitting liability or fault, to pay a civil penalty in amount of eight thousand dollars and zero cents (\$8,000.00). The civil penalty is due upon Courtney Ridge's execution of this Settlement Agreement and shall be in the form of a check made payable to the "*State of Missouri (Jackson County)*." The check and executed Settlement Agreement shall be delivered to: Collections Specialist, Missouri Attorney General's Office, P.O. Box 899, Jefferson City, MO 65102-0899.

3. Courtney Ridge further agrees to pay the Department's investigative costs in the amount of eight thousand one hundred thirty-four dollars and forty-six cents (\$8,134.46) in the form of a check made payable to the "*State of Missouri*." The check shall be delivered with the executed Settlement Agreement to: Collections Specialist, Missouri Attorney General's Office, P.O. Box 899, Jefferson City, MO 65102-0899

VIOLATIONS OF THE MISSOURI SOLID WASTE MANAGEMENT LAW AND REGULATIONS

4. Since December 2010, Courtney Ridge has addressed methane migration that was occurring on the north and west sides of the Landfill, but as of April 2012, migration continued to occur on the south side of the Landfill, as documented in methane concentrations in excess of the regulatory limit in CRLFGP09. On December 15, 2011, the Department received a corrective action plan from Courtney Ridge, and the plan was approved by the Department on February 14, 2012. Said plan was to expand the perimeter methane gas collection system at the toe of the slope on the southwestern portion of the Landfill. During the week of May 14, 2012, the expansion of the perimeter collection system in the southwest portion of the Landfill was completed.

5. Courtney Ridge, in compromise and satisfaction of all allegations or claims relating to the above-referenced claimed violations, agrees, without admitting liability or fault, to the sum of \$63,000.00 as a civil penalty. The parties further agree that \$55,000.00 of this civil penalty will remain suspended so long as Courtney Ridge complies with the conditions listed in Paragraphs 6 through 10 of this Agreement.

6. Courtney Ridge shall observe the methane wells and collect methane concentrations in CRLFGP09 every week for 90 days after the effective date of this Agreement to determine whether the trench and other corrective actions stated in the plan have succeeded in reducing the methane concentrations in the well to below regulatory limits. At the end of 90 days of observation and data collection, Courtney Ridge shall submit a Landfill Gas Corrective Action Summary Report which evaluates the corrective actions taken and determines the impact of the upgrades, expansions, or new equipment or system upon obtaining and maintaining compliance with regulatory requirements for methane. The parties agree that \$25,000.00 of the civil penalty shall remain suspended upon the condition that Courtney Ridge submits the Landfill Gas Corrective Action Summary Report to the Department within 30 days of the end of the observation period.

7. If Courtney Ridge implements corrective measures, observes CRLFGP09 for 90 days, and finds that methane violations continue at the Landfill, Courtney Ridge shall address the continuing methane violations by (1) preparing and submitting another Landfill Gas Corrective Action Plan and (2) submitting notifications, reports, and a Landfill Gas Corrective Action Report as required by 10 CSR 80-3.010(14). The parties agree that another \$25,000.00 of the civil penalty shall remain suspended upon the condition that Courtney Ridge submits such corrective action plan to the Department within 60 days of detection of such violation. This plan shall include corrective actions to ensure that methane is controlled on-site. The Department shall strive to either approve or provide comments to Courtney Ridge within 60 days of receipt of this plan. Upon receiving Department approval of the plan, Courtney Ridge shall implement said plan within 60 days or other schedule approved, in writing, by the Department. If these proposed corrective actions fail to control methane according to regulatory requirements within an additional 180 days after implementation, Courtney Ridge shall continue to work in good faith toward correcting the noncompliance as required by 10 CSR 80-3.010(14). This shall be accomplished by submitting subsequent methane corrective action proposals, implementing these proposals as approved by the Department, and evaluating the facility's compliance for methane, according to schedule(s)

approved by the Department. The cycle of proposal submission, review, comment, approval, implementation, and observation shall continue as necessary until the Landfill demonstrates continued and uninterrupted compliance with the Department's methane regulations for a period of one year. In the event methane violations continue to occur at the Landfill, the Department shall consider issuing a new NOV to and assessing additional penalties against Courtney Ridge, and nothing in this Agreement shall be construed to prevent the Department from pursuing or obtaining any remedies authorized by law for any future violation.

8. Courtney Ridge agrees that the remaining \$5,000.00 of the civil penalty shall remain suspended on the condition that Courtney Ridge does not receive an NOV for any violations of the MSWML that are unrelated to methane gas migration at the Landfill within two years of the date of execution of this Agreement.

9. Courtney Ridge agrees to pay the \$8,000.00 up-front civil penalty by check made payable to the "State of Missouri (Jackson County)" and submitted along with the executed Settlement Agreement to: Collections Specialist, Missouri Attorney General's Office, P.O. Box 899, Jefferson City, MO 65102-0899.

10. In the event that any suspended penalty ever becomes due, Courtney Ridge shall pay it within 15 days of written demand by the

Attorney General, by check made payable and delivered in the manner provided in the preceding paragraph.

11. Contingent upon Courtney Ridge's compliance with this Agreement, the Department and the Attorney General agree not to bring, or cause to be brought, any civil action against Courtney Ridge for penalties arising out of the above-referenced claimed violations of the MCWL and MSWML described in NOV's No. KCR2010072910123672 and 30411.

12. Courtney Ridge agrees to comply with the MCWL and MSWML for all future operations. Courtney Ridge further agrees not to contest the validity or terms of this Agreement, or the procedures or circumstances underlying or relating to it, in any action brought by the Department or Attorney General to enforce this Agreement.

13. Nothing contained in this Settlement Agreement shall alter or otherwise affect Courtney Ridge's obligation to comply with all applicable federal, state, and local environmental laws and regulations and applicable permits. This Agreement shall not be construed to preclude the Department or the Attorney General from seeking penalties or injunctive relief for violations not addressed herein, or for violations that occur after the date of this Agreement (including but not limited to any future gas migration violations), under the MCWL or MSWML or implementing regulations, or under other laws, regulations, or permit conditions.

14. The parties agree that this Settlement Agreement is not an "Environmental Violation" as that term is used in 10 CSR 80-2.070(5) because it is not connected with a civil action which has been filed in court.

15. The terms stated herein constitute the entire and exclusive agreement of the parties with respect to the matters addressed herein. The terms of this Agreement supersede all previous memoranda of understanding, notes, conversations, and agreements, whether express or implied. The Agreement may only be modified in writing.

16. By signing this Agreement, the signatories below acknowledge that they have read and understood the terms of this Agreement, and that they are fully authorized to enter into this Agreement on behalf of their respective parties.

17. The parties agree that this Agreement may be signed in counterparts and transmitted electronically.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement
as follows:

COURTNEY RIDGE LANDFILL, LLC

By: Bill Eggleston
Name: Bill Eggleston
Title: Vice President

Date: 7/13/12

**CHRIS KOSTER
ATTORNEY GENERAL OF MISSOURI**

By: Jennifer S. Frazier
Jennifer S. Frazier
Deputy Chief Counsel
Agriculture and Environment Division

Date: 7/19/12

MISSOURI DEPARTMENT OF NATURAL RESOURCES

By: Steven Feiler
for Alan J. Reinkemeyer, Acting Director
Division of Environmental Quality

Date: July 30, 2012